

Message Text

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PAGE 01 STUTTG 01508 01 OF 02 100959Z

11

ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 USIA-06

TRSE-00 EUR-12 ERDA-05 ISO-00 /036 W

----- 041837

R 091545Z NOV 76

FM AMCONSUL STUTTGART

TO SECSTATE WASHDC 3181

INFO AMEMBASSY BONN

LIMITED OFFICIAL USE SECTION 1 OF 2 STUTTGART 1508

EXCON

FOR MCGEEHAN

E. O. 11652: N/A

TAGS: ESTC PINR GW

SUBJ: PRE-LICENSE CHECK: CADE GMBH, LAICHINGEN, OEA/CD FILE
3-198

REF: (A) STATE 265180, (B) STUTTGART 1461, (C) STUTTGART 1480

SUMMARY: EDO VISITED CADE LAICHINGEN FOR PRE-LICENSE CHECK ON GCA 3095 PHOTOREPEATER. FIRM APPEARS TO MEET REQUIREMENTS FOR PROMPT ISSUANCE OF EXPORT APPROVAL. END SUMMARY.

1. EDO VISITED CADE LAICHINGEN NOVEMBER 9 AS REQUESTED REF A FOR DISCUSSIONS WITH CADE PARTNER DIETER ENDERLEIN AND CADE LAICHINGEN MANAGER UWE HENZ. CADE IS A SMALL BUT IMPRESSIVE FIRM WHICH SPECIALIZES IN DESIGN AND LAYOUT OF PRINTED CIRCUITS FOR SEMI-CONDUCTORS. THEY WORK CLOSELY WITH REDAC SOFTWARE LTD., TEWKSBURY, GLOUCESTERSHIRE, ENGLAND, IN DEVELOPING AND PROVIDING THESE LAYOUTS UNDER CONTRACT TO THIRD PARTIES. CADE MAKES USE OF THE REDAC BAND 7 SYSTEM FOR LAYING OUT PRINTED CIRCUIT DESIGNS. THEIR PRESENT EQUIPMENT, OBTAINED THROUGH REDAC'S MUNICH OFFICE, INCLUDES A DIGITAL (DIGITAL EQUIPMENT CORP., MAYNARD, MASS) PDP 15 COMPUTER; A DIGITAL
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PAGE 02 STUTTG 01508 01 OF 02 100959Z

PDP 11/40; A DIGITAL GRAPHIC 15; AND A CONTRAVES PRINTER

(SWISS). THEY CONTRACT WITH REDAC TO PROVIDE PRINTED CIRCUITS USING THE REDAC SYSTEM FOR THE GERMAN, SWISS, AUSTRIAN AND DANISH MARKETS. CADE HAS A SECOND PLANT IN BENSBERG, NEAR COLOGNE, WHICH IS A DUPLICATE OF THE LAICHINGER OPERATION.

2. CADE PLAN TO INSTALL THE 3095 PHOTOREPEATER PERMANENTLY IN LAICHINGEN, THEY WILL USE THE EQUIPMENT TO EXPAND THEIR DESIGN AND LAYOUT SERVICES TO DEVELOP AND MANUFACTURE MASKS FOR GERMAN INDUSTRIES. THEY DO NOT PLAN TO MANUFACTURE COMPLETED SEMI-CONDUCTORS. THEIR INTEREST IS IN DESIGN, NOT MANUFACTURE OF SEMI-CONDUCTORS. THEY WOULD USE THE 3095 PHOTOREPEATER ALONG WITH THEIR PRESENT EQUIPMENT TO DESIGN AND PRODUCE MASKS TO THE SPECIFICATIONS OF THEIR CUSTOMERS. ENDERLEIN USED AS AN EXAMPLE OF A SUCCESSFUL FIRM OF THIS TYPE THE AMERICAN COMPANY ELECTRO-MASK. CADE ALSO HAS TENTATIVE PLANS TO WORK WITH AN UNNAMED GERMAN PHOTO-CHEMICAL COMPANY TOWARDS IMPROVED MASK RESOLUTION USING THE 3095 PHOTOREPEATER AND NEW PHOTO-CHEMICAL PROCESSES.

3. ALTHOUGH CADE IS A RELATIVELY NEW FIRM, HAVING BEEN FORMED IN 1975, BOTH ENDERLEIN AND HENZ HAVE HAD EXTENSIVE EXPERIENCE IN THE INDUSTRY. ENDERLEIN AND ONE OF HIS TECHNICAL EMPLOYEES IN THE PAST WORKED FOR GCA INTERNATIONAL, KREUZLINGEN, SWITZERLAND, AND APPEAR THOROUGHLY FAMILIAR WITH THE GCA EQUIPMENT. CADE CURRENTLY EMPLOYS 25 PEOPLE, ABOUT HALF OF WHOM ARE TECHNICAL. FOR THE NEW GCA EQUIPMENT THEY WOULD HIRE THREE LAYOUT DRAFTERS AND TWO FURTHER TECHNICIANS TO WORK WITH THE PRESENT CADE TECHNICIAN FAMILIAR WITH GCA EQUIPMENT IN THE MASK MAKING PROCESS.

4. CADE PRESENTLY HAS ONE LARGE AIR CONDITIONED ROOM WHICH HOUSES THE DIGITAL EQUIPMENT, AND A SECOND TEMPERATURE AND HUMIDITY CONTROLLED ROOM WHICH HOUSES THE CONTRAVES PLOTTER. THIS IS THE ROOM THE 3095 PHOTOREPEATER WILL BE HOUSED IN. THE ROOM WILL ALSO BE MADE DUST-FREE PRIOR TO THE INSTALLATION OF THE NEW EQUIPMENT. ADDITIONAL SEGREGATED OPERATIONS ROOMS WILL NOT BE NECESSARY AS CADE PLANS TO MANUFACTURE MASKS ONLY. ENDERLEIN ESTIMATES INSTALLATION WOULD BE COMPLETED AND PRODUCTION UNDERWAY THREE TO FIVE MONTHS AFTER CLSOING THE SALE WITH GCA/BURLINGTON.

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PAGE 03 STUTTG 01508 01 OF 02 100959Z

5. CADE WILL PAY GCA/BURLINGTON BY LETTER OF CREDIT PRIOR TO DELIVERY. THEY HAVE ALREADY SUCCESSFULLY FINANCED 800,000 DOLLARS OF OTHER ADVANCED EQUIPMENT. FINANCING OF THE 3095 PHOTOREPEATER WOULD BE PARTIALLY FROM AN AGREEMENT WITH THE GERMAN PHOTO-CHEMICAL COMPANY THEY PLAN TO WORK WITH ON MASK RESOLUTION IMPROVEMENT RESEARCH. CADE OWNS RATHER THAN LEASES ITS DIGITAL EQUIPMENT.

6. ENDERLEIN FORESEES THE AVERAGE CUSTOMER FOR THEIR MASK SERVICES AS FIRM NEEDING SPECIAL CIRCUITS AND MASK DESIGN TO THEIR OWN SPECIFICATIONS, REQUIRING 500 TO 20,000 CHIPS A YEAR. THE POTENTIAL CUSTOMER WOULD THEN TAKE THE COMPLETED CADE MASK TO A SEMI-CONDUCTOR MANUFACTURER FOR THE ACTUAL PRODUCTION OF THE CHIPS. THIS IS PRESENTLY WHAT REDAC IS DOING IN GHE UK. WHILE IT IS DIFFICULT TO ESTIMATE, ENDERLEIN SUPPOSES THAT THE FINAL END USE OF THE CHIPS USING CADE MASKS WOULD BE IN DIGITAL (MICRO-PROCESSORS, CONTROL EQUIPMENT) RATHER THAN ELECTRONIC (CONSUMER PRODUCTS) FIELDS DUE TO THEIR SPECIALIZED NATURE. HE ALSO RIGHTLY POINTS OUT THAT THE MASK ITSELF IS USELESS UNLESS THE PURCHASING PARTY ALREADY HAS THE MORE ADVANCED TECHNOLOGY NECESSARY TO MANUFACTURE AND MAKE USE OF THE COMPLETED CHIP.

7. EDO'S IMPRESSION IS THAT CADE IS A KNOWLEDGABLE AND CREDIBLE FIRM WITH A VALID USE FOR THE GCA EQUIPMENT. ENDERLEIN AND HIS TECHNICIANS ARE OBVIOUSLY FULLY ACQUAINTED WITH GCA EQUIPMENT AND CAPABLE OF SUCCESSFULLY INSTALLING AND USING IT. THEIR PLANT RESOURCES, AND CREDIT RATING APPEAR TO LEAVE NO QUESTION AS TO SOURCE OF FUNDS FOR THE PURCHASE. CADE HAS BEEN KNOWN TO THE CONSULATE TO OCCUPY THE SAME PREMISES IN LAICHINGEN SINCE ITS FOUNDING. CADE'S PLANT, EXTENSIVE EQUIPMENT, ENVIRONMENTALLY CONTROLLED ROOMS, AND PERSONNEL APPEAR TO ELIMINATE THE POSSIBILITY OF POTEMPKINIZATION.

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PAGE 01 STUTTG 01508 02 OF 02 100945Z

12

ACTION EB-07

INFO OCT-01 CIAE-00 COME-00 DODE-00 NRC-05 NSAE-00 USIA-06

TRSE-00 EUR-12 ERDA-05 ISO-00 /036 W

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R 091545Z NOV 76

FM AMCONSUL STUTTGART

TO SECSTATE WASHDC 3182

INFO AMEMBASSY BONN

LIMITED OFFICIAL USE SECTION 2 OF 2 STUTTGART 1508

EXCON

FOR MCGEEHAN

8. CHECKS OF OUR FILES AND INFORMAL CHECKS WITH EDO'S BERN AND MUNICH, AND CIU STUTTGART, DEVELOPED NO CONNECTION BETWEEN ENDERLEIN AND HONEYWELL-KREUZLINGEN CASE. CONGEN DUSSELDORF HAS NO DEROGATORY INFORMATION ON CADE BENSBERG. EDO'S VISIT TO LAICHINGEN SHOWED AN EFFICIENT AND WELL MANAGED SMALL GERMAN FIRM, BELAYING MCGEEHAN'S IMPRESSION FROM GCA/BURLINGTON THAT CADE APPEARED UNORGANIZED. ENDERLEIN'S POSTPONEMENT OF OUR VISIT BECAUSE HE WOULD BE IN ENGLAND SEEMS IN ORDER DUE TO THE STRONG BUSINESS AND TECHNICAL TIES WITH REDAC. ENDERLEIN AND HENZ WERE ENTIRELY OPEN AND FRIENDLY DURING EDO'S VISIT, AND APPEARED TO FULLY UNDERSTAND US AND COCOM EXPORT REGULATIONS.

9. ENDERLEIN AND HENZ ARE VERY ANXIOUS FOR PROMPT EXPORT APPROVAL FOR THE GCA EQUIPMENT. STUTTGART WOULD HOPE A DECISION ON THE TRANSACTION COULD BE EXPEDITED. ENDERLEIN PLANS TO KEEP IN TOUCH WITH COMMERCE THROUGH GCA/BURLINGTON'S MR. TOBY.

10. INCIDENTALLY, ENDERLEIN WAS AWARE OF THE LEGISLA-

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PAGE 02 STUTTG 01508 02 OF 02 100945Z

TION AUTHORIZING EXPORT CONTROL, AND WAS CURIOUS ABOUT THE EFFECT THIS WOULD HAVE ON HIS EXPORT PERMIT. HE WAS ALSO CURIOUS WHETHER THE CARTER ADMINISTRATION MIGHT IMPLEMENT STRICTER EXPORT CONTROLS, AND WOULD JUST AS SOON HAVE HIS GCA EQUIPMENT AS SOON AS POSSIBLE IN ORDER TO AVOID ANY DELAY STEMMING FROM A POSSIBLE REASSESSMENT OF EXCON POLICY IN THE NEW ADMINISTRATION.

11. WTDR SENT TODAY SEPTTEL. MURPHY

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Message Attributes

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